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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/714,739	11/16/2000	Thomas D. Paasche	9974/56 (BH2090.P2)	5204

757                      7590                      12/04/2002

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EXAMINER

ZURITA, JAMES H

ART UNIT                      PAPER NUMBER

3625

DATE MAILED: 12/04/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/714,739

Applicant(s)

PAASCHE ET AL.

Examiner

James Zurita

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) [X] Responsive to communication(s) filed on application of 16 November 2000.
2a) [ ] This action is FINAL. 2b) [X] This action is non-final.
3) [ ] Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under Ex parte Quayle, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) [X] Claim(s) 157-196 is/are pending in the application.
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
5) [ ] Claim(s) \_\_\_\_\_ is/are allowed.
6) [X] Claim(s) 157-196 is/are rejected.
7) [ ] Claim(s) \_\_\_\_\_ is/are objected to.
8) [ ] Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9) [ ] The specification is objected to by the Examiner.
10) [ ] The drawing(s) filed on \_\_\_\_\_ is/are: a) [ ] accepted or b) [ ] objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
11) [ ] The proposed drawing correction filed on \_\_\_\_\_ is: a) [ ] approved b) [ ] disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
12) [ ] The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) [ ] Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) [ ] All b) [ ] Some \* c) [ ] None of:
1. [ ] Certified copies of the priority documents have been received.
2. [ ] Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. [ ] Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
\* See the attached detailed Office action for a list of the certified copies not received.
14) [ ] Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) [ ] The translation of the foreign language provisional application has been received.
15) [ ] Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) [X] Notice of References Cited (PTO-892)
2) [ ] Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) [X] Information Disclosure Statement(s) (PTO-1449) Paper No(s) 6, 10, 11.
4) [ ] Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
5) [ ] Notice of Informal Patent Application (PTO-152)
6) [ ] Other:

DETAILED ACTION

***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 170 and 188 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claims refer to generating a [first] profile from [said] shopping cart in response to a *single action by a user*. Applicants fail to disclose what constitutes a *single action* or a *single action by a user*. "Single action" is not mentioned in this or related provisional applications or priority application 09/515860. Further, the claims appear to contradict applicants' description of how recurring product orders are created from a shopping cart. According to applicants' disclosures, it takes more than a single action to place a recurring order: (a) [user] enters a first order (b) computer receives a first order, creates a shopping basket, alerts WWW shoppers, preferably after checkout, when a particular item can be placed on standing order (page 96, lines 6-9), (c) [user] clicks on a hyperlink (Fig. 10, link 116, page 89, lines 14-15), (d) computer forwards the user to a screen that allows the user to create a new standing order profile, (f) [user] selects which product (or multiple products or all products) in his shopping basket he would like to order recurrently (g) [user] enters product order details, etc. The attributes may include whether

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an item is an each or bulk or case, etc. Using Fig. 10 as an example, a user might enter the following product details for a recurring order of 3 Black-XL Quixtar Jackets. The attributes may include how frequently the item 3 jackets are to be purchased, how many years (or months or days) he wants his recurring order placed, monogram(s), when the order should start, etc. Each product attribute and detail may require one or more actions by a user, and applicants have not disclosed otherwise.

Claims 157, 174, 192 and 195 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claims refer to product profiles. The specifications contain one mention of a Standing Order Program (SOP) Profile (page 115, lines 12-20) which is not further explained. The specifications refer to an order and several types of profiles, including customer profile (p. 18, 19, 42), customer data profile (page 18), IMC number (page 83), client profile (page 84), registered user profile (page 84) standing order profile/SOP (item 116, item 1130, pg. 84), shopping profile (p. 92), personal profile, shopping page web files, style profile, master profile (item 1605), IBO profile, and others. Applicants fail to disclose how such product orders and profiles are generated.

The issue is not clarified in the related provisional applications:

It is an additional feature of the present invention that enabling an IBO and his or her customers to order directly from the marketing company will reduce order entry time and costs and will relieve IBO's from ordering, administration, reporting, order tracking and Standing Order Product (SOP) processing. It will also give individual customers control

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over their shopping experience (Provisional Application 60/126493, page 1, final paragraph).

Claims 157, 163, 164, 165, 169, 174, 181, 182, 193, 187, 195 196 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Claims 157, 163, 164, 165, 169, 174, 181, 182, 193, 187 refer to profiles of orders that “automatically recur one or more times.” Claims 193, 195 and 196 refer to standing orders. It is not clear how a recurring or standing order can recur once. It is not clear how applicant distinguishes an order that occurs once v. an order that occurs more than once.

Disclosures include an Order Fulfillment Process (page 113-115) and Fig. 10 contains a link 116 to a Standing Order screen (pages 89 and 96). The specifications state that shoppers have the option to put an item on standing order from the shopping cart (page 96, lines 8-9), but do not further describe how recurrence may be detailed by a shopper, including details such as frequently the order may be filled, or how many times an order might be filled, or how often the recurring order may be shipped. Using Fig. 10 as an example, applicants do not describe how a shopper might place a recurring order for 3 Black-XL Quixtar Jackets, or how frequently the items are to be purchased, or for how long the recurring order will be effective, or when the order should start. Related provisional applications fail to clarify this issue:

Entry of custom instructions for personalized items, such as monograms, are available to the shopper as well (Provisional application 60/122385, page 68, lines 20-22).

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Users may also place individual products or an entire order on a standing order quickly and easily through the present invention. Users may also have multiple standing orders and the ability to add an item to a standing order on a one time basis [sic]. It should be apparent to one of ordinary skill in the art that the standing order functionality should not be confused with the SOP program and profiles maintained on the mainframe. IBO's are able to access and maintain SOP profiles via the Virtual Office. (Provisional application 60/122385, page 9, lines 19-24).

Applicants do not disclose how a shopper might enter monogram requests in a recurring product profile to include attributes such as type-face, color, size, etc. It is also not disclosed how applicants determine subsets of products for each type of shopper.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 157, 165, 174, 83, 192 are rejected under 35 U.S.C. 112, second paragraph. The term "automatic" and its derivatives in claims 157, 165, 174, 183, 192 is a relative term which renders the claim indefinite. The term "automatic" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Claims 157, 161, 163-165, 167, 168, 170-174, 183 are rejected under 35 U.S.C. 112, second paragraph. The terms *first* and *second* is a relative term that renders the claims indefinite. Claims 157, 161, 163-165, 167, 168, 170-174 refer to a first order and first profile. Claims 165 and 183 refer to a second order and a second profile. It is not clear how recurring or standing order can exist on a one-

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time basis. It is not clear whether applicants' reference to one or more refer to the reiterative aspect of a recurring order. The claims do not define how a *second* [recurring] order might differ from a *first* [recurring] order or how a *second* profile might differ from a *second* profile. The disclosures do not mention a *first* order, a *first* profile, a *second* order or a *second* profile or an *n-th* order and profile. For purposes of this examination, the term *second* will be interpreted to mean the creation of a recurring order for a product whose characteristics vary from a first product.

Claims 157, 174, 192 and 195 are rejected under 35 U.S.C. 112, second paragraph. The term "client" in claims 157, 174, 192 and 195 is indefinite. These claims use the term *client* in the context of a *remote client computer*. Claim 195 additionally refers to "response to a client selection [on a remote client computer]." This last mention of *client* appears to refer to the word *client* in the context of applicants' definition in the present application and in provisional application 60/122385, page 11, and in provisional application 60/126493, page 5. For purposes of this examination, *client selection* will be interpreted to mean a selection made at a client computer of a client/server environment. Correction is required.

Claim 189 is rejected under 35 U.S.C. 112, second paragraph. Claim 189 refers to *caches*. This appears to be a word processing error, since related claims 171, 172 and 190 use the term *eaches*, which is defined in the specifications, page 50, "As used herein, "eaches" refers to purchasing products

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in single quantities rather than case quantities." For purposes of this examination, the term eaches will be used.

Claims 171-173 and 189-191 are rejected under 35 U.S.C. 112, second paragraph. In claims 171-173 and 189-191, the terms *bulk*, *cases*, *unit quantities* and *lot quantities* are indefinite. While the term eaches refers to purchasing products in single quantities rather than in case quantities, the specifications do not explain how the terms bulk, cases, unit and lot quantities differ from each other or from common meaning of the terms. While applicant may be his or her own lexicographer, a term in a claim may not be given a meaning repugnant to the usual meaning of that term. See *In re Hill*, 161 F.2d 367, 73 USPQ 482 (CCPA 1947).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 157-196 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shell et al. (US Patent 6,415,265) in view of AMWAY® Products Delivered on your Schedule, Customer Order Worksheet, published 06/24/1998 (hereinafter *StandingOrder*).



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Shell discloses an interactive web-based commerce system for fulfilling orders in a multi-level marketing environment. Shell discloses applicability of his system to products such as books, cosmetics, health supplements, cars, tickets, furniture and automatic order and shipping. Shell also discusses changes in standing orders, cancellations and exchange and other customer support features. Shell discloses the use of the Internet, Intranets, Extranets and Portals to connect various portions of the network. Shell does not specifically describe web pages with links to modify standing orders and elements of requested products. However, web links and on-line order updates are common and well known to one of ordinary skill in the art of electronic commerce. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include web links to update standing orders. One of ordinary skill in the art at the time the invention was made would have been motivated to include web links to update standing orders for the obvious reason that user requirements change, often in relationship to fluctuations in the national and international economy. Thus, a user may wish to increase the size of an order for one or more products to meet increased demand for the products. This ability to meet rising demand is critical to the health of a market and provides greater benefit to both purchasers and sellers.

Shell refers to purchase records and product records. Shell *does not* use the terms *order profile* or first profile or second profile. However, in order for a computer to process standing orders, it is necessary that the information concerning the standing orders and products be stored in the computer. The

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data may be stored as one or more records in one or more databases. The data necessary to complete such a record may also be referred to as a profile.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to disclose the use of the terms order profile, first profile and second profile. One of ordinary skill in the art at the time the invention was made would have been motivated to disclose the use of the terms *order profile*, *first profile* and *second profile* for the obvious reason that the use of these terms facilitates communication concerning the capabilities of a system. The terms first profile and second profile provide some guidance to those involved in electronic commerce that the items being discussed are separate orders and may combine different products and quantities for each product.

Shell *does not* specifically disclose the use of mainframe computers. However, it is well known that mainframe computers may be linked to various networks to access databases stored on legacy systems. (See applicants' prior art admissions in client/server computing, pages 25-26). Shell *does not* disclose the use of a shopping cart to hold orders prior to checkout. As applicants admit, the use of single or multiple shopping cards in an e-commerce environment is well known to one of ordinary skill in the art (p. 95, lines 15-20).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include the use of mainframe computers and shopping carts as part of an on-line ordering system such as Shell's. One of ordinary skill in the art at the time the invention was made would have been motivated to include the use of mainframe computers and shopping carts as part

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of an on-line ordering system such as Shell's for the obvious reason that many companies maintain huge databases on mainframes. The data on these machines can be made available without incurring additional costs by creating web-enabled front-end applications. This reduces the cost of implementing a on-line shopping system that may utilize modern web tools. One of the many tools that has become common is an electronic shopping cart. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include the use of electronic shopping carts. One of ordinary skill in the art at the time the invention was made would have been motivated to include the use of electronic shopping carts for the obvious reason that shopping carts are an effective way of tracking items that a buyer wants to buy prior to checking out and actually carrying out a purchase over the Internet. A buyer can use the electronic shopping cart to keep track of what he has selected so far, and how much the contents of the cart will cost. Shopping carts permit efficient shopping sessions, and allows buyers to understand electronic shopping in terms of shopping's analogues in the physical world.

Shell discusses multiple levels of compensation, Shell *does not* specifically use the terms member, IBO to identify levels of users and their compensation schemes. However, as applicants note, multi-level marketing provides for several levels of compensation according to specified criteria. Shell describes several levels of such compensation, referring to them as level 1 commission, level-2 commission, level-3 commission. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made

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to disclose compensation to members and IBO's, as well as other categories. One of ordinary skill in the art at the time the invention was made would have been motivated to disclose compensation to members and IBO's, as well as other categories for the obvious reason that the names serve to identify compensation levels in the minds of various participants. The names used to distinguish among different categories are often limited only by the collective imagination of a firm's marketing department. Thus one participant may readily recognize his compensation by using an illustrative term (e.g., happy member compensation, or health-conscious role model participant, etc.) where the same participant may be less comfortable with a term such as level-x, or level-y compensation/commission.

Shell *does not* provide specifics such as start date and end dates of an order and quantities in terms of eaches, cases, unit quantities and lot quantities and bulk shipments. StandingOrders discloses the use of specifics such as start date and end dates of an order and quantities in terms of eaches, cases, unit quantities, lot quantities and bulk shipments. StandingOrders also discloses that orders and products in standing orders may be defined with time intervals upon elapse of which an order is to recur. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Shell and StandingOrders to disclose standing orders, specific products in a standing order, and attributes for each product being ordered. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Shell and StandingOrders to disclose standing orders, specific products

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in a standing order, and attributes for each product being ordered for the obvious reason that in commerce, it is important for orders and quantities to be defined as much as possible. A standing order contract, for example, may require specific amounts of particular products to be shipped. When a seller knows how much of a product must be sent, the seller can plan his inventory more effectively and be able to perform his contractual obligations. Similarly, buyers can make commitments for down-stream distribution when they are assured that they will have the materials on hand to sell to a second party. When such planning is not done properly, lawsuits and economic chaos may result. Uncertainty may lead to increased costs to buyers and sellers alike and may ultimately impact the economy as a whole, resulting in lost jobs and opportunities.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Shell with StandingOrder and knowledge generally available to disclose web links from shopping carts to a standing order page. One of ordinary skill in the art at the time the invention was made would have been motivated to combine the teachings of Shell with StandingOrder and knowledge generally available to disclose web links from shopping carts to a standing order page for the obvious reason that computer-human interaction is facilitated with the use of links from one page to another. On the Web, such links are commonly called hyperlinks. They serve to facilitate the use of a web site according to the business needs of the system.

### ***Conclusion***

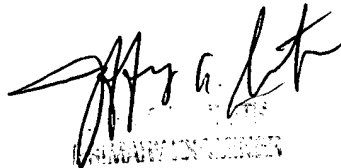
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8:30 am to 5:00 pm, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

*JZ*  
**James Zurita**  
**Patent Examiner**  
**Art Unit 3625**  
December 1, 2002



James Zurita  
Patent Examiner  
Art Unit 3625